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## **Senate passes bills providing tax relief and stimulating the economy and job growth**

**Also votes to establish college scholarship program**

**LANSING**—The state Senate today passed the Earned Income Tax Credit, a state tax credit equal to 20 percent of the federal EITC. Sen. Mike Goschka hailed the measure as a victory for low-income families and Michigan's economy.

"These families need tax relief, and the state economy needs a shot in the arm," said Goschka, R-Brant. "The EITC provides both."

The credit would be available for tax years beginning after Dec. 31, 2007. It would start at 10 percent in 2008 and increase to 20 percent in 2009.

The EITC is a tax cut for low-income families, who will help fuel the state economy by using their refund to buy goods and services they've been struggling to afford. A family of four filing jointly with an earned income of \$18,900 will receive a check from the state for \$597, on top of their federal credit for \$3,860.

Workers who must find new, lower-paying jobs because of Michigan's poor economy will be able to use the tax credit in easing their transition to a lower pay scale. Senate Bill 453 now moves to the House for consideration.

The Senate also passed legislation creating a Merit Award scholarship program that would provide up to \$4,000 for students who complete two years of post-secondary education while maintaining a 2.5 GPA.

In addition, legislators voted to give a minimum-wage bill immediate effect, encouraging job creation and helping ensure that hundreds of Michigan businesses will not be forced to let their workers go or to cut their workers' pay. And they voted to establish a youth minimum wage equal to 85 percent of the current minimum hourly wage, a measure designed to expand entry level jobs for young workers.

"Today we cut taxes for the working poor, stimulated Michigan's economy, preserved thousands of jobs, created job opportunities for Michigan's youth and increased funding for college scholarships," said Senate Majority Leader Ken Sikkema, R-Wyoming. "Earlier this summer, I said that in return for fixing the overtime legislation, I was willing to do things that are good for Michigan's future. Every one of these bills accomplishes that goal."

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